



**Health Services**  
LOS ANGELES COUNTY

Los Angeles County  
Board of Supervisors

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First District

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Third District

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John F. Schunhoff, Ph.D.  
Interim Director

Robert G. Splawn, M.D.  
Interim Chief Medical Officer

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[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

*To improve health  
through leadership,  
service and education.*



[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

October 7, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**FISCAL YEAR 2007-08 YEAR-END BUDGET ADJUSTMENT**  
(All Districts) (4 Votes)

**SUBJECT**

Request approval of Fiscal Year 2007-08 Year-End Budget Adjustments for the Department of Health Services.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached Fiscal Year (FY) 2007-08 Year-End Budget Adjustment (BA) (Attachment I) for the Department of Health Services (DHS) to increase the designation balance, as of June 30, 2008, to \$110.8 million.
2. Approve the attached FY 2007-08 BA (Attachment II) to reallocate and adjust the appropriation and revenue related to the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU), In-Home Supportive Services (IHSS) Health Care Plan.
3. Approve the attached FY 2007-08 BA (Attachment III) to realign the available funding for the Measure B Special Revenue Fund.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:**

The Board's approval of these BA's (Attachments I through III) for FY 2007-08 will:

1. Increase the DHS designation fund balance, as of June 30, 2008, to \$110.8 million in the designation, comprised of a \$106.8 million FY 2007-08 operating surplus (Attachment IV)

and the existing \$4.0 million designation balance from prior fiscal years. Also, reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2007-08 financial experience.

2. Align DHS appropriations and revenues related to the PASC-SEIU IHSS Health Care Plan with FY 2007-08 financial experience, and decrease the transfer of funding to DPSS by \$0.9 million resulting from lower than expected operating activity.
3. Align appropriations and revenues within the Measure B Special Revenue Fund in accordance with FY 2007-08 final experience.

**FISCAL IMPACT/FINANCING:**

The recommended actions adjust the various Departmental budgets to reflect DHS' actual financial experience for FY 2007-08. It also increases the designation balance to \$110.8 million, as of June 30, 2008. (See Attachment IV for the components of the \$110.8 million surplus.)

Per Medi-Cal Redesign, any hospital that ends the fiscal year with a positive fund balance must retain the funds for their future use. Of the \$110.8 million being placed in designation, \$20.6 million is associated with OV/UCLA Medical Center (OV/UCLA). This amount is being placed in separate designation account for OV/UCLA. This amount will be used to fund OV/UCLA's FY 2008-09 operations.

On December 2, 2003, your Board approved Auditor-Controller recommended guidelines for monitoring the LAC+USC Medical Center Accumulative Capital Outlay (ACO) Fund established in FY 1998-99 for the purpose of purchasing new equipment for the LAC+USC Medical Center Replacement Project. In accordance with those guidelines, we are reporting that \$89.3 million resides in the Provisional Financing Uses of the ACO fund as of June 30, 2008. This includes \$4.8 million in interest that was earned on the balance in FY 2007-08 and \$0.1 million in parking fees. Of the \$89.3 million, \$11.8 million represents total payable, \$46.3 million represents total encumbrances, and \$31.2 million represents available fund balance for future use. In FY 2007-08, \$22.7 million was expended and \$32.6 million was encumbered in the ACO fund.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

Not applicable.

**CONTRACTING PROCESS:**

Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

This Year-End BA has no impact on current services.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'JF Schunhoff', with a stylized, flowing script.

John F. Schunhoff, Ph.D.  
Interim Director of Health Services

JFS:aw McAconua\FY 07-08\Closing BAY(3) DHS Closing Letter.doc

Attachments (4)

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller

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76R 352M 11/83

BOARD OF  
SUPERVISORS  
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COUNTY OF LOS ANGELES

request for appropriation adjustment

department of Health Services

Dept's.  
No.

110

08/24

2008

Auditor-Controller. •

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2008  
4 - VOTES ✓

SOURCES

See Attachment I-B for details

USES

See Attachment I-B for details

JUSTIFICATION

This budget adjustment is necessary to increase the DHS Enterprise Fund designation for future use to \$110.8 millions and realign certain appropriations and revenues within DHS in accordance with the FY 2007-08 final experience X

MG:ty  
08/24/2008

  
Mela Guerrero - DHS-Controller's Division

Chief Executive Officer's Report

Referred to the Chief  
Executive Officer for ---

action

Approved as Requested

as Revised

Recommendation

auditor-controller

by

approved (as revised):  
board of supervisors

20

no.

916

Sept. 24 2008

by

deputy county clerk

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2007-08**

**ATTACHMENT I-B  
Page 1 of 3**

**4-VOTE**

**SOURCES:**

**LAC+USC Healthcare Network**  
MN4-HG-60010-96-9910  
Operating Transfers In - Measure B 15,625,000 ✓

**MN4-HG-60010-2000**  
Services and Supplies 10,457,000 ✓

**Total LAC+USC Healthcare Network** \$ 26,082,000 ✓

**Coastal Network (H/UCLA Medical Center)**  
MN1-HH-60020-1000  
Salaries & Employee Benefits 16,475,000 ✓

**MN1-HH-60020-2000**  
Services and Supplies 812,000 ✓

**MN1-HH-60020-5500**  
Other Charges 2,133,000 ✓

**MN1-HH-60020-92-9631**  
OCD - Mental Health 4,700,000 ✓

**MN1-HH-60020-92-R212**  
Medi-Cal HMO 2,981,000 ✓

**MN1-HH-60020-92-9417**  
Medi-Cal DSH 2,034,000 ✓

**Total Coastal Network** \$ 29,135,000 ✓

**Southwest Network (MLK-H Hospital)**  
MN5-HK-60030-96-9911  
Operating Trans In 1,582,000 ✓

**MN5-HK-60030-2000**  
Services and Supplies 790,000 ✓

**Total Southwest Network** \$ 2,372,000 ✓

**Rancho Los Amigos National Rehabilitation Center**  
MN7-HR-60040-96-9911  
Operating Trans In 5,304,000 ✓

**Total Rancho Los Amigos** \$ 5,304,000 ✓

**Valley Care Network (San Fernando & Antelope Valley)**  
MN3-HO-60050-1000  
Salaries & Employee Benefits 5,859,000 ✓

**MN3-HO-60050-2000**  
Services and Supplies 1,200,000 ✓

**MN3-HO-60050-5500**  
Other Charges 2,456,000 ✓

**MN3-HO-60050-92-9433**  
Medi-Cal OP 3,415,000 ✓

**MN3-HO-60050-92-9307**  
CBRC 15,156,000 ✓

**MN3-HO-60050-92-R221**  
AB 915 1,058,000 ✓

**MN3-HO-60050-92-9426**  
CHP 8,104,000 ✓

**MN3-HO-60050-92-9417**

**USES:**

**LAC+USC Healthcare Network**  
MN4-HG-60010-96-9911  
Operating Transfer In 26,082,000 ✓

**Total LAC+USC Healthcare Network** \$ 26,082,000 ✓

**Coastal Network**  
MN1-HH-60020-96-9911  
Operating Transfer In 19,124,000 ✓

**MN1-HH-60020-96-9910**  
Operating Transfers In - Measure B 10,011,000 ✓

**Southwest Network**  
MN5-HK-60030-96-9910  
Operating Transfers In - Measure B 2,372,000 ✓

**Total Southwest Network** \$ 2,372,000 ✓

**Rancho Los Amigos Medical Center**  
MN7-HR-60040-2000  
Services and Supplies 5,304,000 ✓

**Total Rancho Los Amigos** \$ 5,304,000 ✓

**Valley Care Network**  
MN3-HO-60050-96-9911  
Operating Transfer In 26,083,000 ✓

**MN3-HO-60050-96-9912**  
Operating Subsidy 20,558,000 ✓

**MN3-HO-60050-96-9910**  
Operating Transfers In - Measure B 3,240,000 ✓

**DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2007-08**

**ATTACHMENT I-B  
Page 2 of 3**

**4-VOTE**

**SOURCES:**

**USES:**

Medi-Cal DSH	3,832,000 ✓
MN3-HO-60050-92-9435 Medicare	5,365,000 ✓
MN3-HO-60050-92-9419 Insurance	3,436,000 ✓
Total Valley Care Network	<u>\$ 49,881,000 ✓</u>

\$ 49,881,000 ✓

DHS Enterprise Fund MN2-HS-60070-6100 Other Financing Uses	64,403,000 ✓
MN2-HS-60070-96-9912 Operating Subsidy	42,346,000 ✓
Total DHS Enterprise Fund	<u>\$ 106,749,000 ✓</u>
Total Enterprise Fund	<u>\$ 219,523,000 ✓</u>

DHS Enterprise Fund MN2-HS-60070-3078 Designation for DHS	86,191,000 ✓
MN2-HS-60070-3061 Designation for DHS VC Network	20,558,000 ✓
	<u>\$ 106,749,000 ✓</u>
	<u>\$ 219,523,000 ✓</u>

Health Services Administration AO1-HS-20000-2000 Services and Supplies	8,088,000 ✓
Office of Managed Care AO1-HP-19975-2000 Services and Supplies	1,919,000 ✓

Juvenile Court Health Services AO1-HJ-20600-1000 Salaries and Employee Benefits	506,000 ✓
AO1-HJ-20600-2000 Service & Supplies	1,268,000 ✓
Health Services - Realignment AO1-HS-19999-88-8899 Sales Tax	2,155,000 ✓
VLF Realignment AO1-ND-10590-10591-88-8716 State Vehicle License Fee - AB 1288	2,545,000 ✓

H/UCLA Hub Clinic AO1-CP-65036-69574-6014 Fixed Assets - Building & Improv.	1,000 ✓
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Hudson Comprehensive HC Seismic Retro AO1-CP-65036-86514-6014 Fixed Assets - Building & Improv.	3,000 ✓
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H/UCLA N24 Clinic Addition AO1-CP-65036-77541-6014 Fixed Assets - Building & Improv.	1,319,000 ✓
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EI Monte HS Seismic Retrofit AO1-CP-65036-86505-6014 Fixed Assets - Building & Improv.	74,000 ✓
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H/UCLA Refurb Parlow Library AO1-CP-65036-86516-6014 Fixed Assets - Building & Improv.	54,000 ✓
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Central HC X-Ray Space AO1-CP-65036-86571-6014 Fixed Assets - Building & Improv.	173,000 ✓
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HHH Hot Water Pipe Replacement AO1-CP-65036-86637-6014 Fixed Assets - Building & Improv.	27,000 ✓
--	----------

EI Monte Pharmacy Renovation AO1-CP-65036-86701-6014 Fixed Assets - Building & Improv.	259,000 ✓
--	-----------

H/UCLA Cath Lab AO1-CP-65036-86728-6014 Fixed Assets - Building & Improv.	71,000 ✓
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DEPARTMENT OF HEALTH SERVICES  
YEAR-END BUDGET ADJUSTMENT  
FISCAL YEAR 2007-08

4-VOTE

SOURCES:

USES:

OVMC Cath Lab  
AO1-CP-65036-86729-6014  
Fixed Assets - Building & Improv. 25,000 ✓

H/UCLA Psych Facility Upgrade  
AO1-CP-65036-86851-6014  
Fixed Assets - Building & Improv. 157,000 ✓

OVIUCLA Psych Facility Upgrade  
AO1-CP-65036-86852-6014  
Fixed Assets - Building & Improv. 120,000 ✓

H/UCLA Radio/Flouro Room Mod  
AO1-CP-65036-86864-6014  
Fixed Assets - Building & Improv. 334,000 ✓

USP797 Pharm Upgrade - Multiple Sites  
AO1-CP-65036-86873-6014  
Fixed Assets - Building & Improv. 3,356,000 ✓

RLA Radio/Flouro Room Mod  
AO1-CP-65036-86898-6014  
Fixed Assets - Building & Improv. 70,000 ✓

Various Refurbishments  
AO1-CP-65036-86937-6014  
Fixed Assets - Building & Improv. 6,961,000 ✓

H/UCLA Nurse Call System Replacement  
AO1-CP-65036-87009-6014  
Fixed Assets - Building & Improv. 2,530,000 ✓

H/UCLA Central Plant Bldg Control Rfurb  
AO1-CP-65036-87010-6014  
Fixed Assets - Building & Improv. 215,000 ✓

MLK MACC Central Sterile Rfb  
AO1-CP-65036-87012-6014  
Fixed Assets - Building & Improv. 2,220,000 ✓

OVIUCLA Fluoroscopy Room Rfurb  
AO1-CP-65036-87013-6014  
Fixed Assets - Building & Improv. 440,000 ✓

General Fund Subsidy - (OVIUCLA)  
AO1-AC-21200-21232-6100  
Operating Transfers Out 20,558,000 ✓

General Fund Subsidy - (DHS Enterprise Fund)  
AO1-AC-21200-21236-6100  
Operating Transfers Out

42,346,000 ✓

Total General Fund \$ 48,897,000 ✓

\$ 48,897,000 ✓

Total Department \$ 268,420,000 ✓

\$ 268,420,000 ✓

Noted & Approved:

  
Melia Guerrero, Controller  
Department of Health Services

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9/18/2008

BA # 916

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BOARD OF  
SUPERVISORS  
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## COUNTY OF LOS ANGELES

## request for appropriation adjustment

department of Health ServicesDept's.  
No. 110

August 21 2008

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2008

4 - VOTES/

SOURCESUSES

See attachment II-B for details

See attachment II-B for details

JUSTIFICATION

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan, and to recover \$0.914 million of unused funding from the Department of Public Social Services (DPSS).

  
 Mela Guerrero, DHS Controller's Division

Chief Executive Officer's Report

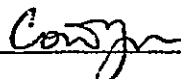
Referred to the Chief  
Executive Officer for —

action

Recommendation

auditor-controller

by



no. 907

Sept. 24 2008.

Approved as Requested

as Revised

Sept. 30 20 08

20 08

  
 Chief Executive Officer
approved (as revised):  
board of supervisors

20

by

deputy county clerk

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**DEPARTMENT OF HEALTH SERVICES**  
**IHSS HEALTH BENEFITS PROGRAM**  
**FISCAL YEAR 2007-08**

ATTACHMENT I-B

**4-VOTE**

**SOURCES:**

✓ LAC+USC Healthcare Network	
✓ MN4-HG-60010-96-9912	
✓ Operating Subsidy	\$ 342,000 ✓
Coastal Network	
✓ MN1-HH-60020-96-9912	
✓ Operating Subsidy	225,000 ✓
Southwest Network	
✓ MN5-HK-60030-96-9912	
✓ Operating Subsidy	161,000 ✓
Valleycare Network	
✓ MN3-HO-60050-96-9912	
✓ Operating Subsidy	181,000 ✓
Total Enterprise Funds	<u>\$ 909,000</u> ✓

**USES:**

✓ LAC+USC Healthcare Network	
✓ MN4-HG-60010-92-942A	
✓ CHP-In-Home Supp Svcs Rev	\$ 342,000
Coastal Network	
✓ MN1-HH-60020-92-942A	
✓ CHP-In-Home Supp Svcs Rev	225,000
Southwest Network	
✓ MN5-HK-60030-92-942A	
✓ CHP-In-Home Supp Svcs Rev	161,000
Valleycare Network	
✓ MN3-HO-60050-92-942A	
✓ CHP-In-Home Supp Svcs Rev	181,000
Office of Managed Care	
✓ AO1-HP-19975-92-942A	
✓ CHP-In-Home Supp Svcs Rev	\$ 5,000 ✓
ENT SUB-LAC+USC HLTHCARE NETWK	
✓ AO1-AC-21200-21224-6100	
✓ Operating Transfers Out	342,000 ✓
ENT SUB-COASTAL CLUSTER	
✓ AO1-AC-21200-21226-6100	
✓ Operating Transfers Out	225,000 ✓
ENT SUB-SW CLUSTER	
✓ AO1-AC-21200-21228-6100	
✓ Operating Transfers Out	161,000 ✓
ENT SUB-SF VALLEY CLUSTER	
✓ AO1-AC-21200-21232-6100	
✓ Operating Transfers Out	181,000
Total General Funds	<u>\$ 914,000</u>
Total Department	<u>\$ 1,823,000</u> ✓

Noted & Approved:

  
Mela Guerrero, Acting Controller  
Department of Health Services

BA# 907 COTJ 9/24/08

DEPARTMENT OF PUBLIC SOCIAL SERVICES  
IHSS HEALTH BENEFITS PROGRAM  
FISCAL YEAR 2007-08

4-VOTE

SOURCES:

USES:

/ DPSS-IHSS  
/ A01-SS-26300-26410-2000  
/ Services and Supplies \$ 914,000 /

Total Department

\$ 914,000

\$ -

Noted & Approved:



Thanh Do, Director of Budget Policy  
Department of Public Social Services

BA # 907

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76R 352M 11/83

BOARD OF  
SUPERVISORS  
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## COUNTY OF LOS ANGELES

## request for appropriation adjustment

department of Health ServicesDept's.  
No. 11008/24 2008

Auditor-Controller.

the following appropriation adjustment is deemed necessary by this department. will you please report as to accounting and available balances and forward to the Chief Executive Officer for his recommendation or action.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

**FY 2008**  
4 - VOTES /

SOURCES

See Attachment III-B for details

USES

See Attachment III-B for details

JUSTIFICATION

This budget adjustment is necessary to realign the available funding for the Measure B Special Revenue Fund in accordance with the FY 2007-08 final experience

MG:ty  
08/24/2008

  
Mela Guerrero - DHS-Controller's Division

Chief Executive Officer's Report

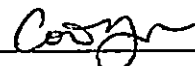
Referred to the Chief  
Executive Officer for —

action

Recommendation

auditor-controller

by

no. 917Sept. 24 2008

Approved as Requested

as Revised

Sept. 30 2008approved (as revised):  
board of supervisors20

by

deputy county clerk

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES  
MEASURE B BUDGET ADJUSTMENT  
FISCAL YEAR 2007-08

4-VOTE

SOURCES:

✓ Measure B - Harbor/UCLA Medical Center BW9-HS-41010-41012-6100	
✓ Operating Transfers Out	✓ \$ 10,011,000
✓ Measure B - King/Drew Medical Center BW9-HS-41010-41015-6100	
✓ Operating Transfers Out	✓ 2,372,000
✓ Measure B - Olive View Medical Center BW9-HS-41010-41013-6100	
✓ Operating Transfers Out	✓ 3,240,000
✓ Measure B - Administrative/Other BW9-HS-41010-41017-2000	
✓ Services & Supplies	✓ 2,000
✓ Health Services Administration A01-HS-20000-2000	
✓ Services and Supplies	✓ 224,000
Total	✓ <u>\$ 15,849,000</u>

USES:

✓ Measure B - LAC+USC Medical Center BW9-HS-41010-41014-6100	
✓ Operating Transfers Out	\$ 15,625,000
✓ Health Services Administration A01-HS-20000-9910	
✓ Operating Transfers In - Measure B	224,000
Total	<u>\$ 15,849,000</u>

Noted & Approved:

  
Mela Guerrero, Controller  
Department of Health Services

9/18/2008

BA # 917 Consign 9/24/08

**DEPARTMENT OF HEALTH SERVICES**  
**SUMMARY EXPLANATION OF BUDGETARY VARIANCES**  
**FISCAL YEAR 2007-08**  
(\$ In Millions)

Attachment IV

Sources	FY 2007-08
<b>Deficit from Operations:</b>	
- Current Fiscal Year	\$ 2.4
- Prior Fiscal Years	(12.6)
Subtotal	\$ (10.2)
<b>Extraordinary Expenditure Variances:</b>	
- Financial Stabilization	\$ 53.4
- Hiring Delays	22.1 (A)
- Capital Projects	18.3
- Other Charges	12.1 (B)
- Employee Benefits	11.8 (C)
- Insurance & Indemnity (S&S)	5.5
- Fixed Asset	1.9
Subtotal	\$ 125.1
<b>Extraordinary Funding Variances:</b>	
- CBRC	\$ (33.2)
- CHP Equity Distribution	17.4
- Insurance (Including Medi-Cal HMO and Medicare HMO)	7.9
- Medi-Cal Redesign	7.3 (D)
- Mental Health	0.9
- Vehicle License Fees	(2.5) (E)
- Sales Tax	(2.2) (E)
- SB 1732	(2.4)
- AB 915	(1.3)
Subtotal	\$ (8.1)
Total Fiscal Year 2007-08	\$ 106.8
<b>Other:</b>	
- Designation Balance from Prior Fiscal Years	\$ 4.0
June 30, 2008 Designation Balance	\$ 110.8

**Notes:**

- (A) Surplus reflects position vacancies due to difficulties in hiring.
- (B) Surplus primarily due to less than anticipated debt service costs.
- (C) Surplus primarily due to less than anticipated Workers Compensation costs, Long Term Disability costs, and Benefits Plan costs per final actuals.
- (D) Reflects higher than anticipated revenue, that DHS expects to receive under Medi-Cal Redesign for FYs 05-06, 06-07, and 07-08.
- (E) Per final actuals provided by CEO and Auditor-Controller.